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September 14, 2001

Ms. Linda Piwonka
Director of Technology and Information
City of College Station
P.O. Box 9960
College Station, TX 77840

Mr. Harvey Cargill
City Attorney
City of College Station
P.O. Box 9960
College Station, TX 77840

RE: Cox Cable Franchise Renewal

Dear Linda and Harvey:

Thank you for engaging us to assist the City of College Station ("you") in relation to the renewal of Cox Communications' cable franchise with the City. This letter is intended to set forth our mutual understanding of the legal services to be performed on your behalf and the basis upon which we will provide and be paid for those services. We will also be assisting the City of Bryan, as set forth below.

As we discussed, we will provide services for you as follows: Assist you under the Federal Cable Act (Communications Act of 1934, Title VI) on the renewal of Cox Communications' cable



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Mr. Harvey Cargill
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franchise with the City. This includes discussions with you, preparation with you of drafts, assistance with negotiations and the like. The scope of these services may be changed from time to time by mutual agreement.

As also discussed with you and the City of Bryan, we will be representing the two cities jointly on this renewal. Our bills will be split 50-50 between the two cities. Each city can discontinue the 50-50 fee split altogether or as to certain items by notifying us and the other city in writing, with such notice to be effective upon receipt by us.

I will be the principal attorney involved on your behalf, although I may use the services of other attorneys in the firm or non-attorney legal assistants as I deem necessary. Our billing procedures and other important elements of our relationship are discussed in the Service and Billing Information memorandum which accompanies this engagement letter.

Our bills will be provided to you monthly. If you have any questions or comments on them, please contact us immediately.

Currently, our rates range from \$70 to \$350 per hour. My current rate is \$300 per hour. Note that these rates are adjusted (usually upward) from time to time.

If you wish, we can discuss providing you with estimates or limits on our fees. Because these estimates or limits can be a source of misunderstanding we will only provide estimates or limits on our fees in writing. We call this to your attention to make sure you know that if you want an estimate or fee limit to obtain it from us in writing.

Termination of our services is covered in the Service and Billing Information memorandum. You will pay for all services rendered through the date of termination.

We believe that it is highly desirable at the outset of our representation to confirm by letter the terms of our engagement. Please examine this letter and the attached memorandum carefully and let us know immediately if you have any questions, concerns or if it does not conform to your understanding of our representation of you.

Once again, we appreciate the opportunity to be of service to you and look forward to working with you.

With best wishes,



Ms. Linda Piwonka
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Very truly yours,

VARNUM, RIDDERING, SCHMIDT & HOWLETT LLP

A handwritten signature in black ink, appearing to read "John W. Pestle". The signature is written in a cursive, flowing style.

John W. Pestle

JWP/kv

cc: College Station File
Engagement Letter File
JWP
Chron File

VARNUM, RIDDERING, SCHMIDT & HOWLETT LLP

SERVICE AND BILLING INFORMATION

The Scope of Our Work

Varnum, Riddering, Schmidt & Howlett LLP is pleased to have you as a client of our firm. At Varnum, Riddering, we have a tradition of delivering not only high quality legal services but excellence in client service. Throughout our relationship, you should have a clear understanding of the legal services we will provide. Any questions that you have will be dealt with promptly.

We will strive to act on your behalf to the best of our ability. Any statements on our part concerning the outcome of your legal matters are expressions of our professional judgment, but are not guarantees. Our opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are given.

It is our policy that the person or entity we represent is the person or entity identified in our engagement letter sent with this Memorandum and does not include any affiliates of that person or entity (i.e., if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, any members of the trade association). In proceeding with this relationship, you agree that our relationship is with you and not your affiliates, and that, as a result, it will not be necessary for us to obtain the consent of you or your affiliates in order for us to represent another client in a matter adverse to your affiliates. Furthermore, to the extent that our representation of others adverse to any of your affiliates may be deemed to require your consent, you give that consent.

It is also our policy that the attorney-client relationship will end at our completion of the services you have retained us to perform. If you later retain us to perform additional services, our attorney-client relationship will be reactivated.

Who Will Provide the Legal Services

At Varnum, Riddering, we frequently take a team-based approach to serving our clients. At the beginning of our relationship, where appropriate, we will establish a team of firm members to serve you. This Client Service Team will be led by one attorney who will serve as your Client Service Manager and primary contact

at the firm. This attorney should be someone in whom you have confidence and with whom you enjoy working.

Client Service Teams include attorneys and legal assistants with different areas of specialization who, under the supervision of the Client Service Manager, may perform work on behalf of the client. The delegation of assignments to team members may be for the purpose of using lawyers or legal assistants with special expertise or for the purpose of providing services on the most cost-efficient and timely basis. When applicable, we will advise you of the names of the attorneys and legal assistants who serve on your Client Service Team.

You are free to request a change in the Client Service Manager or Client Service Team members at any time. If a change in the Client Service Manager is desired, please contact any other Partner of the firm. For questions concerning team members, please contact your Client Service Manager.

Communication and Responsiveness

We strive to return all telephone calls on the day received or by the following morning, if received late in the day. Our support staff will be familiarized with you and will be aware of any special communication instructions or requirements.

You will have 24-hour access to the attorneys' direct dial telephone numbers and voice mail system on which confidential, detailed messages can be left. Where appropriate, you will be provided with the home telephone numbers and the car telephone numbers of the attorneys working with you. The names of secretaries and staff supporting your Client Service Team can also be provided.

How Fees Will Be Set

Attorneys may be compensated under a variety of fee arrangements, including purely hourly or per diem arrangements. At Varnum, Riddering, in determining the amount to be charged for the legal services we provide, we generally consider the following, unless described otherwise in the engagement letter sent with this Memorandum:

- The time and effort required, the novelty and complexity of the issues presented, and the skill required to

perform the legal services promptly;

- The fees customarily charged in the community for similar services and the value of the services to you;
- The amount of money or value or property involved and the results obtained;
- The time constraints imposed by you as our client and other circumstances, such as an emergency closing, the need for injunctive relief from court, or substantial disruption of other office business;
- The nature and longevity of our professional relationship with you;
- The experience, reputation, and expertise of the lawyers performing the services;
- The extent to which office procedures and systems have produced a high-quality product efficiently.

Among these factors, the time and effort required are typically weighted most heavily. We keep records of the time we devote to your work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on your behalf, and other related matters. We record our time in fractions of an hour.

The hourly rates of our lawyers and legal assistants have an important bearing on the fees we charge. The firm establishes a range of hourly rates for each attorney and legal assistant. These rates may be adjusted from time to time to reflect current levels of legal experience, changes in our costs, and other factors.

We are often requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will furnish such an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

For certain well-defined services (for example, a simple business incorporation), we will quote a fixed fee. It is our policy not to accept representation on a fixed fee basis except in such defined service areas or pursuant to a special arrangement tailored to the needs of a particular

client. In those situations, the fixed fee arrangement will be expressed in a letter, setting forth both the amount of the fee and the scope of the services to be provided.

Varnum, Riddering encourages discussion with our clients about legal fees and billing arrangements. Unnecessary misunderstandings can result from a lack of clear communication on these sensitive matters. We would expect to have candid discussions regarding fees and billing arrangements with you at the beginning of our relationship

Other Charges

Typically, we will charge our clients not only for legal services, but also for other ancillary services which we provide. Examples of ancillary charges include: computerized research services and the use of our photocopy machines. While our charges for these services are measured by use, they do not, in all instances, reflect our actual out-of-pocket costs. For photocopying, for example, the true cost of providing the service is difficult to establish. While we are constantly striving to maintain these charges at rates which are lower than those maintained by others in our markets, in some instances, the amounts charged exceed the actual costs to the firm. We would be pleased to discuss the specific schedule of charges for these additional services with you and to answer any questions that you may have. If you would prefer, in some situations we can arrange for these ancillary services to be provided by third parties with direct billing to you.

Disbursements

In addition to our fees and other charges, we will bill you, without any mark-up, for any out-of-pocket expenses which we incur on your behalf. Examples of costs in this category may include filing fees, court costs, mileage and third-party carrier or overnight delivery service. We may ask that you pay any sizeable third-party costs or expenses directly.

Billing Arrangements and Terms of Payments

We will bill you, normally each month, for fees, other charges and disbursements. You are expected to make payment upon receipt of our invoice. Unpaid fees and disbursements accrue interest at the maximum rate permitted under the laws of the State of Michigan, but not exceeding 1% per month from the beginning of the month in which they became overdue.

If your account becomes past due, you are expected to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and pursue collection of your

account. You then agree to become responsible for paying the costs of collecting the debt, including court costs, filing fees and reasonable attorney fees.

Invoices are typically sent monthly unless there is a project to be billed in a different fashion. At times, when there is low activity, an invoice may be sent less frequently than monthly. Generally, one person acts as the billing attorney for each client in order to coordinate the billing process. Billing can be done on a composite basis or broken down by subject matter. If you want particular invoices sent to specific individuals for approval in your company, that can be done.

Under normal circumstances, we submit regular monthly invoices to clients listing in a narrative fashion the particular work performed by date and the exact amounts of other charges and disbursements for all client matters.

Retainers

New clients of the firm are commonly asked to pay the firm a retainer. If you pay us a retainer, you grant us a security interest in those funds. Typically, the retainer is equal to the fees and costs likely to be incurred during a two-month period. Unless otherwise agreed, the retainer typically will be credited toward your unpaid invoices, if any, on a monthly basis at the time the invoice is generated. If you dispute any amount charged against the retainer, you may notify us promptly and we will return the disputed amount to the retainer account pending resolution of the dispute.

At the conclusion of our representation or at such time as the retainer is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer proves insufficient to cover current expenses and fees on at least a two-month basis, an additional retainer may be necessary.

Deposits received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts disbursed. Any amount remaining after disbursement will be returned to you.

By court rule, most retainers will be placed in a pooled account, and interest earned on the pooled account is payable to a charitable foundation established in accordance with the court rule. In some instances, your retainer may be placed in a separate trust account for your benefit.

Termination

You may terminate our representation at any time by notifying us. Your termination of our services will not

affect your responsibility for payment of legal services rendered, additional charges and disbursements incurred before termination and in connection with an orderly transition of the matter.

We may also withdraw from providing services to you. We are subject to the codes of professional responsibility for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client. We try to identify in advance and discuss with our clients any situation which may lead to our withdrawal, and if withdrawal ever becomes necessary, we will give the client written notice of our withdrawal.

Client Files

Once our engagement in this matter ends, we will return the file materials provided by you upon your request. You agree that we may retain, at your expense, copies of the file materials. You also agree that any materials left with us after the engagement ends may be retained or destroyed, at our discretion. We reserve the right to make, at your expense, and retain copies of all documents generated or received by us in the course of our representation. When you request documents from us, copies that we generate will also be made at your expense.

Our own files pertaining to the matter will be retained by the firm (as opposed to being sent to you) or destroyed. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and internal lawyers' work product (such as drafts, notes, internal memoranda, legal research, and factual research, including investigative reports prepared by or for the internal use of lawyers). Any documents that are retained by the firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any documents or other materials retained by us within a reasonable time after the termination of the engagement.

**VARNUM, RIDDERING, SCHMIDT &
HOWLETT LLP**

PRIVACY POLICY

Varnum Riddering Schmidt & Howlett LLP is now required by law and Federal Trade Commission Regulations to inform certain clients of our policies regarding privacy of client information. Our firm has always had the highest respect for client confidentiality. In addition, we have been, and continue to be, bound by professional standards of confidentiality that are even more stringent than those required by law. As such, you can rest assured that we will continue to honor our long-standing policy and practice of maintaining confidentiality.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice, except as required or permitted by law. In a generic sense, any information a client provides us is likely to be considered nonpublic personal information and receives confidential treatment. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services. In all such situations, we stress the confidential nature of information being shared.

**Protecting the Confidentiality and Security of Current
and Former Clients Information**

We retain records relating to services that we provide so that we are better able to assist you with your needs and, in some cases, to comply with guidelines of our profession. In order to safeguard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with the rules of professional conduct applicable to us.

* * *

Please call your Varnum Riddering Schmidt & Howlett LLP attorney if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality services are very important to us.